

## **FEDERAL RESERVE SYSTEM**

### **Proposed Agency Information Collection Activities; Comment Request**

**AGENCY:** Board of Governors of the Federal Reserve System

**SUMMARY:** **Background**

On June 15, 1984, the Office of Management and Budget (OMB) delegated to the Board of Governors of the Federal Reserve System (Board) its approval authority under the Paperwork Reduction Act, as per 5 CFR 1320.16, to approve of and assign OMB control numbers to collection of information requests and requirements conducted or sponsored by the Board under conditions set forth in 5 CFR 1320 Appendix A.1. Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the OMB 83-Is and supporting statements and approved collection of information instruments are placed into OMB's public docket files. The Federal Reserve may not conduct or sponsor, and the respondent is not required to respond to, an information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB control number.

**Request for comment on information collection proposal**

The following information collection, which is being handled under this delegated authority, has received initial Board approval and is hereby published for comment. At the end of the comment period, the proposed information collection, along with an analysis of comments and recommendations received, will be submitted to the Board for final approval under OMB delegated authority. Comments are invited on the following:

- a. Whether the proposed collection of information is necessary for the proper performance of the Federal Reserve's functions; including whether the information has practical utility;
- b. The accuracy of the Federal Reserve's estimate of the burden of the proposed information collection, including the validity of the methodology and assumptions used;
- c. Ways to enhance the quality, utility, and clarity of the information to be collected; and
- d. Ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology.

**DATES:** Comments must be submitted on or before October 30, 2006.

**ADDRESSES:** You may submit comments, identified by FR Y-12 or FR Y-12A, by any of the following methods:

- Agency Web Site: <http://www.federalreserve.gov>. Follow the instructions for submitting comments at <http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm>.
- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.

- E-mail: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov). Include docket number in the subject line of the message.
- FAX: 202-452-3819 or 202-452-3102.
- Mail: Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve System, 20<sup>th</sup> Street and Constitution Avenue, N.W., Washington, DC 20551.

All public comments are available from the Board's web site at [www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm](http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm) as submitted, unless modified for technical reasons. Accordingly, your comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper in Room MP-500 of the Board's Martin Building (20th and C Streets, N.W.) between 9:00 a.m. and 5:00 p.m. on weekdays.

**FOR FURTHER INFORMATION CONTACT:** A copy of the proposed form and instructions, the Paperwork Reduction Act Submission (OMB 83-I), supporting statement, and other documents that will be placed into OMB's public docket files once approved may be requested from the agency clearance officer, whose name appears below. Michelle Long, Federal Reserve Board Clearance Officer (202-452-3829), Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, DC 20551. Telecommunications Device for the Deaf (TDD) users may contact (202-263-4869), Board of Governors of the Federal Reserve System, Washington, DC 20551.

**Proposal to approve under OMB delegated authority the extension for three years, with revision, of the following collection of information:**

*Report title:* Consolidated Bank Holding Company Report of Equity Investments in Nonfinancial Companies, and the Annual Report of Merchant Banking Investments Held for an Extended Period.

*Agency form number:* FR Y-12 and FR Y-12A, respectively

*OMB control number:* 7100-0300

*Frequency:* FR Y-12, quarterly and semiannually; FR Y-12A, annually

*Reporters:* Bank holding companies, financial holding companies

*Annual reporting hours:* FR Y-12, 1,824; FR Y-12A, 105

*Estimated average hours per response:* FR Y-12, 16; FR Y-12A, 7

*Number of respondents:* FR Y-12, 30; FR Y-12A, 15

*General description of report:* This collection of information is mandatory pursuant to Section 5(c) of the Bank Holding Company Act (12 U.S.C. 1844(c)). The FR Y-12 data are not considered confidential, however, bank holding companies may request confidential treatment pursuant to Sections (b)(4) and (b)(8) of the Freedom of Information Act (FOIA) (5 U.S.C. 552(b)(4) and (b)(8)). The FR Y-12A data would be considered confidential on the basis that disclosure of specific commercial or financial data relating to investments held for extended periods of time could result in substantial harm to the competitive position of the financial holding company pursuant to the FOIA (5 U.S.C. 552(b)(4) and (b)(8)).

*Abstract:* The FR Y-12 collects data from certain domestic bank holding companies on their equity investments in nonfinancial companies on four schedules: Type of Investments, Type of Security, Type of Entity within the Banking Organization, and Nonfinancial Investment Transactions during Reporting Period. The FR Y-12 data serve as an important risk-monitoring device for institutions active in this business line by allowing the Federal Reserve to monitor an institution's activity between review dates. It also serves as an early warning mechanism to identify institutions whose activities in this area are growing rapidly and therefore warrant special supervisory attention.

*Current actions:* The Federal Reserve proposes to extend for three years, without revision, the FR Y-12. In addition, the Federal Reserve proposes to implement a companion reporting form, the FR Y-12A, effective December 31, 2006. The proposed FR Y-12A is intended to provide the Federal Reserve with data concerning merchant banking investments that are approaching the end of the holding period permissible under Regulation Y. A financial holding company generally would have to submit a FR Y-12A if it holds a merchant banking investment for longer than eight years (or thirteen years in the case of an investment held through a qualifying private equity fund).

Board of Governors of the Federal Reserve System, August 28, 2006.

(Signed)

**Jennifer J. Johnson,**  
Secretary of the Board.